

PORTIA FINANCIAL SERVICES

a full service mortgage company



March 28, 2008

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Ms. Johnson:

My name is Laurie Ausmus and I am President of Portia Financial Services in Bellevue Washington. We have been in business now for 14 years. Our business is run with high integrity, honesty and due diligence. Our clients come to us by referral only at this time because we have such a great relationship with our past clients and have been able to provide the most competitive rates and loan packages available in the market place.

I would like to express my support for the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers.

The services that mortgage brokers provide are an intermediary between borrowers and lenders, and the value the broker adds in the real estate transaction by serving BOTH parties, but representing NEITHER.

Mortgage Brokers must compete with direct lenders and banks. The distinction between Brokers, Lenders and banks is very vague. Most lenders's package and re-sell their loans and receive compensation for that. Consumers are largely unable to distinguish between brokers and lenders which have similar names, use similar signage and rely on similar advertising.

Therefore since Mortgage Brokers, Lender's and Banks all receive Yield Spread Premiums (YSP) I think it is highly unfair to single out the Mortgage Broker and make us do additional disclosures to the consumer regarding our compensation. This is **discrimination**.

By being a Mortgage Broker, I have been able to offer lower interest rates than the banks and pay customer's closing costs with the YSP. I understand that banks and lender's can do the same thing but again, why single out the Mortgage Broker? If it becomes a law

that Mortgage Brokers have to disclose their income to their clients then lender's and banks should have to do so as well. Again, I believe this is discrimination.

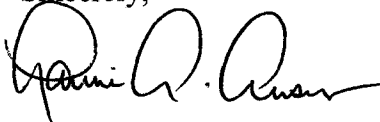
In the real world, requiring brokers but not other loan originators to make compensation disclosures will steer consumers away from brokers, even if brokers offer more favorable loans. Consumers don't like to see what compensation the company is making. And might I add that there isn't a business out there that is required to disclose their compensation to their buyer in any circumstance. It is highly unfair to single out the Mortgage Broker and this will severely hurt our business.

Also, it is impossible to give a reasonably precise dollar estimate of fees a broker will charge in a transaction even before an application is submitted because the broker does not yet know the prospective borrower's financial status, transaction details, type of product sought, or amount of loan, all of which may vary as the transaction progresses.

I hope you will consider my suggestion that the Fed consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators, and encourage competition on price and service. Face it, there will be dishonest Mortgage Originators whether they work for a Mortgage Broker, Lender or a Bank.

I would like to thank the Board of Governors of the Federal Reserve for considering the comments I have made.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurie A. Ausmus", written in a cursive style.

Laurie A. Ausmus
President